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Negotiation Simulation

According to many participants at the 1974 Allerton Park Institute, perhaps the most memorable part of the conference was a seven-hour session simulating labor-management contract negotiations. In planning the Institute, we realized that there should be a portion of the conference which would give participants some kind of "hands on" experience in the collective bargaining area. Of all the activities in collective bargaining, the actual bargaining session lends itself best to simulation activity, and we were very pleased to be able to locate an existing project which could be adapted for use at the Institute. This project was an industrial contract negotiation simulation developed by the Division of Public Employee Labor Relations, Labor Management Services Administration, U.S. Department of Labor (U.S.D.L.). The U.S.D.L. not only agreed to let us reproduce their material free of charge, but also sent specialists to a preconference training session and to the actual conference.

The simulation session took place at the same point in the Institute as it appears in this volume—after the introductory papers and the papers dealing with special topics in collective bargaining, and before the concluding papers examining the implications of unionization for various types of libraries. By waiting until this point in the proceedings, we gave each participant time to develop a maximum knowledge of the nature of collective bargaining, and also provided a change of pace at a time when people might have been getting tired of sitting and listening.

The U.S.D.L. negotiation simulation was designed to utilize groups of approximately ten participants (five management and five union negotiators), each supervised by a moderator-facilitator. Since approximately 100 participants were expected at the conference, ten negotiation sessions would have to be held simultaneously. Since the U.S.D.L. could not be expected to provide a team of ten moderators, a group of Illinois librarians, administrators and

doctoral students were trained to serve as moderators in a special two-day preconference training session three weeks before the Institute. This "each one teach one" prep session was supervised by Morris Sackman of the U.S.D.L., who guided us through the simulation session while sharing with us his vast experience in labor affairs. The training session ended with wrap-up discussion sessions for each negotiating team and a final plenary session. A problem became apparent during this session—the total negotiation simulation took longer than the time allotted in the conference program. To resolve this problem the committee limited the number of issues to be negotiated, informed the participants that all of the issues listed need not be resolved if both negotiating teams agreed to the delay, drastically reduced the amount of planning time allowed the teams, and shortened the actual negotiating time somewhat. The simulation materials were to be given to the participants at registration two days before the simulation; several times during the conference they were reminded to read the materials. The committee felt that this procedure would make the participants better prepared than usual and would compensate for the shorter game time.

The simulation materials provided by the U.S.D.L. were reproduced and assembled into packets which included:

1. "Settle or Strike"—the basic document which describes the situation, provides extensive information, and sets the stage for the negotiation session. The information in this document will be paraphrased and quoted widely in this article.
2. Information privy to each negotiation team, which provided information about the five negotiators, outlined the company or union position on various issues, and presented other confidential information.
3. "Negotiation Issues"—this list included the following ten issues to be negotiated: contract duration, contracting out, grievance procedure, holidays, leaves of absence, management rights, seniority, union security, vacations and wages.
4. "Selected Contract Clauses"—a 28-page listing of recent contract clauses in seven of the above areas.
5. "Glossary of Collective Bargaining Terms"—listing 107 terms used in bargaining (prepared by the Labor Relations Training Center, Bureau of Training, U.S. Civil Service Commission).
6. "Background Profile"—each participant received a description of the particular role he was to play on his negotiation team.

Each institute participant received a total of sixty-seven pages of material on Sunday evening, with instructions asking that it be read before negotiations started at ten o'clock Tuesday morning. Although during this

same period the participants were also exposed to five of the regular institute sessions, most people read the background information and were ready to play an active role in the negotiations. The following paragraphs summarize the simulation materials distributed and the general nature of the simulation process.

SIMULATION

Lastik Plastik, Inc. (LPI) is a small manufacturer of a variety of plastic products in Rapid Junction, a small midwestern city with a population of 20,000. LPI has 104 employees and is the smallest of nine light manufacturing factories in the city. Like most of the other companies, LPI had been without a union since it opened twelve years ago. Recently the company employees voted, by a small majority, to have the Amalgamated Workers Union (AWU) represent them in future negotiations with the company.

As the simulation begins, the two negotiating teams are preparing for their first face-to-face meeting following the election of union representatives. The management negotiation team consists of five men appointed by J. B. Swope, founder, president and chairman of the board of Lastik Plastik. These include:

E. B. Whitz, team spokesman and vice-president for administration and personnel, who has been with the company since its founding. Whitz is an engineer known among his coworkers as "the diplomat." He aspires to succeed Swope as president.

R. A. Artsworth, comptroller of LPI, a CPA and lawyer who has been with the company for five years. His concern with the negotiations is strictly economic; he has developed a reputation as being aloof and a cost-cutter (almost a skinflint). He may also be aspiring for advancement to president.

Bart Trab, production manager, who rose from a general shop operator to his present position at LPI in three years. Trab is an ex-Marine sergeant who tolerates no nonsense in the plant and who is not well liked by the employees.

J. C. Hitower, general foreman, who has spent eight years with LPI and is a life-long resident of Rapid Junction. He maintains excellent rapport with the employees and sees some positive influences of the union.

R. J. Russell, a line foreman who has spent five years with LPI. He is reserved, but articulate. He is company oriented but has no strong feeling about the union.

The negotiating team consists of three locally elected representatives plus two outside representatives of the union. These include:

C.B. Holloway, team spokesman, a lead machine maintenance mechanic with ten years service at LPI. He is a quiet person but an effective speaker, and he has worked for the union during the organizing campaign. He is respected by others.

L. M. Steinway, international representative, AWU. This is his first visit to Rapid Junction; he knows little about the plastics industry or LPI but is experienced and knowledgeable in negotiating union contracts. He is not opposed to a strike at this time.

P. King, district director, AWU. King has had twenty-eight years of union experience and is very familiar with other union contracts in the district, many of which he negotiated. He aspires to be president of the international union.

Wilbur Rosen, chief shop steward. Rosen is young, aggressive, strong and ambitious. He is the leader of the more militant group in the union. Rosen has been passed over twice for promotion, and this has turned him against the company. He favors a strike to strengthen his position.

A. Walker, department steward, 23 years old. Walker is active in church and 4-H work and admires Rosen for standing his ground. He is critical of the company management because of their lack of social conscience.

The following instructions were given to the participants:

This simulation has specific learning objectives, of which the primary one is to experience the dynamics of collective bargaining negotiations. Reality must be accommodated to these, and to the constraints of time. Consequently, certain assumptions must be made. For example, the number of issues which will be negotiated has been limited to conform to the limited time frame which is available to this seminar, and they have been generally identified. The assumption is that these are the critical issues which must be resolved if a strike is to be avoided. While this may, for example, diminish the reality of how the parties determine their proposals, it is a necessary trade-off.

Also the simulation is set in the private sector. There are two major reasons for this. One is to remove participants who are public sector oriented from that specific orientation. The other is to demonstrate the universal application of the principles, techniques and dynamics of negotiations. The primary purpose of this simulation is to expose participants to the dynamics of collective bargaining negotiations, not to prepare them for negotiations in which they will actually be participating. The issues that have been identified are, furthermore, equally applicable to most public sector bargaining.

Each team is permitted to make any reasonable use of the data and information to enhance its positions, as long as it does not contradict that data and information. As occurs in real-life collective bargaining, the interactions between the management and union teams and

within the respective teams often determine whether the parties can reach agreement without a strike or lockout as they seek to resolve conflicting positions over critical issues. While both teams generally seek agreement without having to resort to strikes or lockouts, the ultimate outcome is an agreement except in rare cases where the relationship between the parties is totally terminated.

Strikes and lockouts, although occasionally unavoidable, are costly to both parties and to the public. Where the parties are unable to reach agreement directly by the parties themselves, there are three modes of neutral third party intervention available to assist them to reach agreement without resorting to strikes or lockouts. These are: mediation, factfinding and arbitration. This simulation provides for only one type of neutral third party intervention—mediation. The mediator role is incorporated in the Data Bank, and the mediator is known to the parties. A simulation leader will act as the mediator. Either or both parties may request the mediator to intervene, or the mediator may seek to determine the need for intervention and, if necessary, to suggest mediation without waiting for a request by either or both parties.

The Negotiations

Each of the twenty negotiating teams (ten union and ten management) were assigned a caucus room or area to which they were to return whenever it became necessary to discuss matters among themselves. Ten larger rooms with tables were designated as negotiating areas; seats around the tables were reserved for the team members and large name signs identified each negotiator.

Final instructions to the team informed them of a pending strike with a one o'clock deadline. Negotiations were to continue until the ten issues had been addressed and the differences between the negotiating teams resolved or until a strike occurred. The twenty teams of five immediately went to their caucus areas to plan their opening moves.

In caucus the teams ranked the ten issues to be negotiated in priority order and prepared their first offers. The simulation materials had provided the negotiators with extensive information concerning the present policies, salaries and benefits at LPI, as well as in the community and the plastics industry nationwide. Using this information and the sample contract clauses provided, all teams were able to present the opposition with numerous contract proposals.

Negotiations began when both teams had agreed on a time and usually started with simple statements of position and the introduction of the first offers by each team. This first step was followed by a return to the caucus areas, after which new across-the-table negotiating resumed. In general this process continued for the next three hours with only minor variations, although one labor team walked out of their negotiating room and stayed out for over an hour, returning only after an outside arbitrator was brought in.

E. B. Whitz and C. B. Halloway served as the primary spokesmen for their respective teams in nearly all cases. The other members of the teams made comments spontaneously or upon the request of the spokesmen. Occasionally other team members (especially Trab or Rosen), dominated a session or a caucus discussion. As time passed and the negotiation tended to center on the questions most difficult to resolve, arguments occurred more frequently between and within the teams. Most participants were able to stay in role and project the image intended.

The moderator-facilitator (simulation leader) assigned to each team played many roles—arbitrator, news media reporter, and various union and company figures. His primary function, however, was to keep the action moving (or to slow it if necessary) by injecting elements of change and reporting on hypothetical happenings outside the negotiations room. The moderator used a “media board” in each room to post newspaper articles, inflammatory statements from union members and company staff, and other items of public information. He also provided each team (or particular team members) with confidential information in the form of notes, letters or telegrams. Included in the typical messages to the teams were: a letter of encouragement from the president of the international union urging the team to go after a strong contract which would be helpful in organizing other plants in the industry and offering support from the union’s well-endowed strike fund (used to strengthen the union team’s position); a similar letter warning that another large local had just gone on strike and would probably drain the strike funds (used to weaken the union line); a note to Bart Trab (the tough production manager) from a shop foreman telling of suspected sabotage of shop machines and urging him to shut down the assembly line (used to antagonize the union team); two letters to the management team from a large buyer for a new line of faddish plastic toys (hulahoop-type items), the first offering a contract if production can begin at once, the second threatening to withdraw the offer if labor troubles develop (used to stimulate management to settle); an offer from a competitor to buy the company (Lastik Plastik) and hire the company officers (used to slow negotiations). These messages were limited only by the creativity of the moderator-facilitator and were used effectively in all teams.

The moderator-facilitator could, as mentioned earlier, assume the role of an arbitrator, offering his services to help resolve the issues if the teams reached a stalemate. Several teams used the services of the arbitrators toward the end of the session.

As the strike deadline drew closer the negotiations became more harried and the pressure for settlement increased. Some teams made concessions on formerly unresolvable issues and others reduced the tension by referring less pressing issues to joint committees—usually to report back within a month. A

couple of teams settled tentatively with such vital issues as management rights and union security unresolved. Only one team (Team J) became hopelessly deadlocked—on wages and contract duration—and went on strike.

The contracts negotiated by the ten teams varied widely, as can be seen in Table 1. Ray Gilbert, the U.S.D.L. representative at the conference, told us this phenomenon occurs regularly, even when the teams are as heterogeneous and randomly assigned to roles as they were at the Institute. The issues in Table 1 marked "no change" are those for which both teams agreed to remain with the present company policy; "postponed" issues are those which were referred to a committee for later resolution.

Wrap-Up

At the end of the negotiating session the teams assembled in larger groups (three pairs of teams) to discuss the experience. Most participants were either exuberant and anxious to discuss the experience or were exhausted and ready to retire. An atmosphere of bedlam existed at the beginning of the discussion period, when the participants shed their role identities and were able to express their real feelings. There was great interest in what others thought and in why they had acted in certain ways. The discussion leaders were able to start organized reviews of the negotiation procedure only after the participants were allowed to "let off steam" for about twenty minutes. In this plenary session the positions held by the two opposing teams were analyzed, and the following questions explored: Which issues were most important to the union and which were vital to management? Why was this so? Why did one team give in on one issue and dogmatically cling to another? Which issues might apply directly to libraries, and how might the negotiations have differed in the public sector? The recapitulation period helped to pull together the various loose ends and provided an appropriate finale to this session.

I feel that involvement learning of all types is particularly useful. The particular simulation-role-playing experience employed at the Allerton Park Institute was especially effective and can be recommended as a primer in labor negotiations. Any group faced with the prospect of negotiating a first contract should consider using this or a similar training device. Among the advantages of simulation exercises in general are:

1. This method stimulates learning by creating an immediate need for specific knowledge and producing equally immediate feedback to the participant. The impending need created by the simulation motivates the participant to learn specialized vocabularies and to acquire new skills in a way nothing else can.
2. Simulation learning involves people; everyone becomes a participant and must contribute to the game. This encourages two-way communication

<i>Team</i>	<i>Wages</i>	<i>Union Contract</i>	<i>Vacations</i>	<i>Management Rights</i>	<i>Grievances</i>
A	8.2% across the board	Agency shop Check off	No change	Except as limited by union contract	48 hour cooling off 2 week filing limit 3 day response limit 2 step thru vice pres. Binding arbitration Shared cost
B	7% 1st year 7% 2nd & 3rd year if c.o.l.* exceeds 9%	Maintenance of membership Check off	No change Average weekly salary	Unchanged	3 step—union in 3rd step
C	8 % across the board	Modified union shop language to be agreed upon within 30 days	1 wk. after 6 mo. 2 wks. after 2 yrs. 3 wks. after 10 yrs.	Except as limited by this contract	2 step Step 1 on company time
D	c.o.l.* + 4% 1st year 4% 2nd year 2% 3rd year	No agreement reached	1 wk. after 6 mo. 2 wks. after 3 yrs.	Contract rights but shall not discriminate against union	2 step 96 hrs. released time to process Cost of arbitration decided by arbitration
E	19¢ across the board Reopen 2nd year for c.o.l.* 5¢ 3rd year	Agency shop Check off	No change	Except as limited by this contract	3 step with time limits Stewards involved at each step Arbitration with shared costs
F	15¢ across the board	Agency shop	No change	Postponed	3 step Unlimited steward time Arbitration costs paid by loser
G	10% across the board 4% c.o.l.*	Modified union shop	Average weekly salary	To be worked out by joint committee	5 step plan
H	25¢ 1st year Reopen 2nd year	Maintenance of membership Check off	2 wks. after 2 yrs. 3 wks. after 10 yrs. 4 wks. after 20 yrs.	Except as limited by union contract	4 step Binding arbitration Shared cost
I	15¢ across the board	Modified agency shop	2 wks. after 1 yr. 3 wks. after 10 yrs. 4 wks. after 15 yrs.	Except as limited by union contract	4 step Binding arbitration Loser pays costs
J	Impasse Union 20¢ Management 15¢	Agency shop Check off	2 wks. after 1 yr. 3 wks. after 10 yrs.	Except as limited by union contract	To be worked out by joint committee

*c.o.l. = cost of living

Table 1. Negotiated Contracts

<i>Contract Duration</i>	<i>Holidays</i>	<i>Leaves</i>	<i>Contracting Out</i>	<i>Seniority</i>	<i>Team</i>
1 year	No change	No change	No job loss guarantee	Layoff, rehire, and promotion on seniority	A
3 years with wage reopener	No change	No change except union business	No job loss guarantee	Plant and dept. seniority	B
1 year	No change	No change	Postponed	Agency-wide basis for promotion and layoff	C
3 years	1 extra day	Postponed	Postponed	Postponed	D
3 years with wage reopener	No change	Postponed	Limited to major construction No layoff Can't undermine union	Postponed	E
To be settled later	Postponed	Postponed	Postponed	Postponed	F
2 years	8 days per year	Pregnancy 1 day mo. sick leave 3 day funeral	Full employment only	Joint committee to work out	G
2 years with wage reopener	1 extra day	Maternity	No job loss 6 month probation on new products	Layoff and promotion based on seniority	H
1 year	7 plus birth-day	Maternity Sick leave to 60 days	Limited areas No job loss	Layoff and rehire on seniority 10 day posting	I
Impasse Union 1 yr. Management 2 yrs.	Postponed	Postponed	Postponed	Joint Committee to work out 50-50 productivity	J

and social and intellectual interaction, which helps participants learn from one another. The element of stress introduced by the adversary arrangement and the pending strike facilitates this learning.

3. "Learn by doing" techniques tend to aid retention of knowledge. Something learned and immediately reinforced by use (often repeated use) becomes more indelibly impressed on the mind.
4. Time can be controlled to suit the learning process. The developer of a simulation project can concentrate on certain time periods, prolonging or contracting them as best fits the needs of the project. In the labor negotiations simulation the time spent in face-to-face, across-the-table negotiations was, of course, much less than it would have been in actual practice, and time between the breaks to caucus and the subsequent return to the negotiation table could well have been weeks rather than minutes. However, the essential elements involved in hammering out a labor contract were present, even to the speeding up of progress as the remaining time diminished. It was evident that 90 percent of the progress toward a contract occurred in the final 10 percent of the time.

There are some inherent problems in simulation learning. These include:

1. Simulation learning requires preparation; those who enter the game without doing their homework cannot be worthwhile participants.
2. All people do not learn well in this way; for some, simulation exercises may not be effective. It is difficult for some people to change their learning mode; those who have always learned by the traditional methods of reading and lectures may have some adjustment problems.
3. The personality of the participants may limit the effectiveness of role-playing exercises. Not everyone is outgoing enough to actively participate, and we know that some people are better actors than others. Practice, however, is helpful in developing the necessary skills and in encouraging participants to loosen up.

Most participants at the Allerton Park Institute seemed to enjoy the negotiation session and felt that it provided a nice contrast with the other conference sessions. Some even saw it as a good social mixer and wished it could have been held on the first day.